

Additional Views
S. Con. Res. 100
FY 2003 Senate Budget Resolution

March 26, 2002

The President's budget request sets forth three clear goals: (1) national security, (2) homeland security, and (3) economic security. The Republican Members of the Senate Budget Committee support these goals and find the Committee-reported FY 2003 Budget Resolution falling short of at least two of the President's objectives.

The resolution (S. Con. Res. 100) would risk both our national security and our country's fiscal future. By reducing the President's long-term defense commitment at this time, the resolution sends the wrong signal to those who wish our country harm. While the Majority's resolution ostensibly funds the President's defense request the next two years, the Majority thwarted efforts by Republicans in the Committee to guarantee that funding by establishing a firewall between defense and non-defense appropriations. Failure to establish this firewall for one year, a year in which 258,000 U.S. troops are deployed overseas, once again, calls into question the stated commitment to the President's defense request in the near term.

The resolution contradicts its stated goal of future fiscal responsibility with new, expansive domestic spending programs. The resolution increases domestic spending both now and in the future, and furthermore, relaxes budget enforcement tools and increases taxes when compared to the President's budget. The resolution's 10-year numbers understate the growth in domestic spending thus masking certain pressure for major tax increases that would be required to fund programs in the future. And not once does the resolution or supporting documentation address accountability in governing nor mention the President's five management reforms for agencies' budgets: management of human capital, competitive sourcing, E-government, financial management, and budget and performance integration.

The Chairman of the Budget Committee states that within the overall level of discretionary funding for FY 2003 that the President's request for domestic non-defense, homeland security funding has been met at \$25.2 billion. The Republican Members have no basis to challenge this statement, and accept that this funding will be provided within the guidelines of the resolution. Competition will be fierce for these non-defense, non-international affairs discretionary dollars, however, given other spending commitments made in the resolution.

While establishing the laudable goal of balancing the federal budget without counting funds from the social security program in the future, the resolution continues to use social security surpluses throughout

the decade. After months of criticism of the President's budget, this Democratic resolution's so-called circuit breaker or trigger provision puts off to another day, another Congress, another budget, the hard choices for tomorrow. Over the period FY 2003 - FY 2012 the resolution uses \$1.3 trillion in social security surplus for programs other than social security. If this Congress is not willing to at least exercise some fiscal restraint today, it is disingenuous to try to demand such restraint from its successors.

The Republican Members' concerns follow:

1. Increased Spending.¹ The resolution sets total federal spending in FY 2003 at \$2.132 trillion, up 6.5 percent over the current year. Defense discretionary outlays will grow by 9.2 percent in FY 2003, while domestic spending (including non-defense discretionary and mandatory spending) will grow by 6.4 percent. The resolution's 10-year numbers shows a path of total spending slowing from this year's 6.5 percent growth to an annual average rate of 4.5 percent over the decade. But the slowdown in spending is due to the resolution reducing and slowing defense expenditures. While defense spending in the resolution would grow at only 3.3 percent annually over the next decade, all domestic spending would grow at 5.2 percent annually. Mandatory spending grows at even a faster rate of 6.0 percent. Analysis of the resolution's spending assumptions suggest that even this rate of growth in domestic spending is understated in the resolution.

The resolution increases total domestic spending over the President's request by almost \$350 billion and nearly \$600 billion over current law for the next 10-year period.² Even in the budget year – FY 2003 – the resolution would increase total domestic spending nearly \$14 billion over the President's request, and \$25 billion over current law policies.

Compared to the President's request, nearly 70 percent of the resolution's increased spending over the next decade is in the area of mandatory spending programs. The

¹ For purposes of accurate and fair comparisons the numbers presented in this text exclude the President's economic security plan included in his FY 2003 budget submission and exclude the recently enacted Job Creation and Worker Assistance Act of 2002 (P.L. 107-147)

² Summary tables are included in these views that compare the reported resolution to the President's budget request as reestimated by the CBO, excluding the effects of the recently enacted Job Creation and Worker Assistance Act of 2002 (P.L. 107-147). Comparisons are also presented relative to the CBO March baseline estimates, again excluding P.L. 107-147. The spending and revenue impact from P.L. 107-147 is assumed in the reported resolution. Therefore to make direct comparisons to the President's budget which included different stimulus spending and revenue assumptions than those finally enacted, both P.L. 107-147 and the President's assumed stimulus policies have been excluded from some tables.

resolution creates \$100 billion in new mandatory spending for an education program that needs reform (IDEA – Individuals with Disabilities Education Act). An expansive prescription drug benefit is added to the Medicare program with no stipulation made that Medicare be reformed. Both programs will grow, not subject to appropriations in the future, and will place unique pressure on future federal budgets.

The resolution increases domestic discretionary spending authority over the President's budget request in 2003 by \$15.5 billion while claiming to be at the President's request. First, the resolution omits the President's proposal to budget for the accrual cost of retirement benefits for federal employees, but nonetheless adds \$9.0 billion to its discretionary mark. The resolution also increases 2003 advance appropriations \$2.2 billion over current practice and it assumes a "historical" rescission of \$46.7 billion in budget authority and \$39.0 billion in outlays over the next decade. Outlay savings from this assumption are highly unlikely.

Domestic appropriated accounts are \$106 billion higher than the President's request over the decade, even without including an allowance for the FY 2002 supplemental request of \$27.1 billion transmitted to Congress on March 21. Further, most domestic discretionary account increases, assumed in the resolution in the early-years, are clearly understated in the out-years. As an example, while the resolution increases domestic appropriation outlays in FY 2003 by \$10.3 billion compared to the President's request, the resolution assumes that these adds are somehow one-time increases and will gradually be reduced over the decade. The combination of major increases in mandatory spending programs that will grow in the future, and an understatement in the future of the current year increases in domestic appropriated accounts, combined with highly questionable savings from rescissions, portend an unsustainable future fiscal path.

2. Limited Enforcement Provisions. The resolution does extend, in the Senate, some expiring points-of-orders and pay-go provisions. But only because of the effort led by the Republicans does the resolution establish a one-year cap on discretionary spending. Efforts in the Committee to extend the caps further and strengthen enforcement provisions failed, but will be revisited in the full Senate. Even Senator Domenici's effort to guarantee that the resolution's commitment to funding the President's defense request just for one year – FY 2003 – failed when he tried to include a firewall between defense and non-defense spending in that year.

Other provisions in the resolution weaken its enforcement provisions, such as increasing domestic advance appropriations by over \$2.2 billion this year and eliminating the emergency designation point-of-order for non-defense discretionary spending. This point-of-order is the Senate's only mechanism for reviewing the use of

the emergency designation. Moreover, many would have to agree that it has been invoked most judiciously.

The advance appropriations limit has been increased from the level set in last year's resolution – \$23.2 billion. That limitation was designed to accommodate the advances that had been made in the FY 2001 bills into FY 2002, or in other words: the appropriators were held harmless for this advance spending, but were to do no more. The Appropriations Committee complied with the rule, and the advances contained in the FY 2002 bills were within the set limit. It is clear that with respect to FY 2003, the resolution intends to permit an additional \$2.2 billion in spending beyond what the President has proposed.

3. Cuts in National Security/International Affairs. The resolution reduces defense spending authority \$245 billion below the President's request. The resolution claims that a "reserve fund" for defense expenditures would be available if needed. But unlike reserve funds in past GOP budget resolutions which accounted for the reserved amounts in the totals but withheld them from the committees of jurisdiction, in this resolution the funds have simply vanished. This allows the proponents of the resolution to claim greater debt reduction than would be the case without these reserves. In contrast to the "reserved" but non-existent defense dollars, new domestic, mandatory spending programs for education and health care are allocated within the budget totals and not set outside the budget in any imaginary "reserve" construction.

In another contrast to the President's recent commitments and efforts to increase funding for foreign aid programs, the resolution cuts the President's request nearly \$5 billion over the next decade.

4. Increased taxes relative to President's request. The resolution provides for no tax cuts over the entire decade. Bipartisan congressional tax cut proposals, such as the CARE Act designed to increase incentives for charitable giving and the recently reported Finance Committee energy tax credits are not accommodated within the resolution. Further, expiring tax provisions such as the R&E tax credit and those provisions that expire in 2010 such as marriage penalty relief, child credit and marginal tax rate reductions would not be permitted if the resolution's blueprint is adopted in the Congress. In total compared to the President's budget, the resolution would increase taxes \$553 billion over the next decade.
5. The Trigger. The resolution has a magic trigger referred to as a circuit breaker. The resolution includes the following new process, it is a "wait until next year" procedure. If in any year an on-budget deficit is projected in CBO's January 2003 annual report, then next year's budget resolution would be out of order unless it included policies to

achieve a balanced budget excluding social security trust funds. This path would require such balance within 5 years (FY 2008). Even if the resolution for this year were to perfectly come true, then it would project on-budget deficits in 2004 and throughout the remainder of this decade. Therefore, under the policies called for in this reported budget resolution, next year's budget resolution would be required to include a series of policies to adhere to the trigger:

- Raise taxes \$570 billion; or
- Further reduce the President's defense request by another 25%; or
- Further reduce the President's non-defense spending by 26%; or
- Freeze all discretionary spending at the 2002 level; or
- Cut Medicare by 30%; or
- Eliminate food stamps, TANF, child care, child nutrition, SCHIP, foster care, veterans' benefits and veterans' pensions beginning in 2004; or
- Some combination or portion of all of the above, *but not until next year!*

Supporting documentation for these Minority Views are presented in the following summary tables that compare (among other things) the resolution to the CBO March baseline, CBO's reestimate of the President's Budget, and with and without the recent Job Creation and Worker Assistance Act of 2002.

Tables to follow:

- Rates of Growth in the SBC Reported Resolution
- Comparison of SBC Reported Resolution with CBO's March Baseline and the Reestimate of the President's Budget, with Economic Stimulus and Excluding Accruals
- Comparison of SBC Reported Resolution with CBO's March Baseline and the Reestimate of the President's Budget without Economic Stimulus and Excluding Accruals
- Comparison of SBC Reported Resolution and CBO March Baseline, without Economic Stimulus and Excluding Accruals – FY 2003 to FY 2012
- Comparison of SBC Reported Resolution and CBO Reestimate of the President's Budget, without Economic Stimulus and Excluding Accruals
- Comparison of Discretionary Budget Authority in the SBC Reported Resolution, the CBO March Baseline, and the Reestimate of the President's Budget

Senator Pete V. Domenici
Committee on the Budget
Ranking Member

Senator Charles Grassley
Committee on the Budget

Senator Bill Frist
Committee on the Budget

**COMPARISON OF SBC REPORTED RESOLUTION WITH CBO'S MARCH BASELINE
AND THE REESTIMATE OF THE PRESIDENT'S BUDGET
WITH ECONOMIC STIMULUS AND EXCLUDING ACCRUALS
(in billions of dollars)**

	CBO March Baseline	CBO Reest of the President's Budget*	SBC Reported Resolution**	SBC less Baseline	SBC less Reestimate
FY 2003					
Discretionary	761	784	795	34	10
Mandatory	1,148	1,170	1,169	21	-1
Net Interest	170	180	175	5	-5
Total Spending	2,080	2,134	2,138	59	4
Total Revenues	2,086	2,013	2,046	-40	33
Unified Deficits/Surpluses	6	-122	-92	-98	29
On-budget Deficits/ Surpluses	-170	-297	-268	-98	29
Discretionary Spending BA	732	759	768	36	9
Defense	357	393	393	36	0
Nondefense	375	366	375	0	9
FY 2003-2012					
Discretionary	8,557	8,853	8,798	241	-55
Defense	3,966	4,449	4,289	323	-160
Nondefense	4,591	4,403	4,509	-82	106
Mandatory	14,602	15,038	15,275	673	236
Net Interest	1,517	1,884	1,808	291	-75
Total Spending	24,677	25,775	25,881	1,204	106
Total Revenues	27,057	26,455	27,064	7	609
Deficits/Surpluses Unified	2,380	680	1,183	-1,197	503
Deficits Surpluses On-budget	-102	-1,802	-1,299	-1,197	503

Source: Senate Budget Committee Republican Staff

* CBO's Reestimate of the President's Budget includes the President's budget amendment submitted on March 14, 2002, as well as the President's economic security proposal.

** The SBC Reported Resolution includes the effect of the enactment of the Job Creation and Worker Assistance Act of 2002 (P.L. 107-147).

**COMPARISON OF SBC REPORTED RESOLUTION WITH CBO'S MARCH
BASELINE AND THE REESTIMATE OF THE PRESIDENT'S BUDGET
WITHOUT ECONOMIC STIMULUS AND EXCLUDING ACCRUALS
(in billions of dollars)**

	CBO March Baseline	CBO Reest of the President's Budget*	SBC Reported Resolution**	SBC less Baseline	SBC less Reestimate
FY 2003					
Discretionary	761	784	795	34	10
Mandatory	1,148	1,162	1,165	17	3
Net Interest	170	174	172	1	-3
Total Spending	2,080	2,121	2,132	52	11
Total Revenues	2,086	2,078	2,086	0	8
Unified Deficits/Surpluses	6	-43	-46	-52	-3
On-budget Deficits/ Surpluses	-170	-219	-224	-55	-5
Discretionary Spending BA	732	759	768	36	9
Defense	357	393	393	36	0
Nondefense	375	366	375	0	9
FY 2003-2012					
Discretionary	8,557	8,853	8,798	241	-55
Defense	3,966	4,449	4,289	323	-160
Nondefense	4,591	4,403	4,509	-82	106
Mandatory	14,602	15,029	15,271	669	242
Net Interest	1,517	1,767	1,751	233	-17
Total Spending	24,677	25,649	25,820	1,143	171
Total Revenues	27,057	26,499	27,051	-5	553
Deficits/Surpluses Unified	2,380	850	1,232	-1,149	382
Deficits Surpluses On-budget	-102	-1,633	-1,251	-1,149	382

Source: Senate Budget Committee Republican Staff

* CBO's Reestimate of the President's Budget includes the President's budget amendment submitted on March 14, 2002, but does not include the President's economic security plan proposal.

** The SBC Reported Resolution does not include the effect of the enactment of the Job Creation and Worker Assistance Act of 2002 (P.L. 107-147).

COMPARISON OF SBC REPORTED RESOLUTION AND CBO REESTIMATE OF THE PRESIDENT'S BUDGET
WITHOUT ECONOMIC STIMULUS AND EXCLUDING ACCRUALS
(in billions of dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2003-2007</u>	<u>2003-2012</u>
SBC Reported Resolution*												
Defense	380.2	393.9	405.0	410.1	413.4	430.9	444.1	457.5	474.4	479.5	2002.6	4288.9
Nondefense	414.5	422.6	430.4	437.3	444.9	454.0	462.5	471.6	480.8	490.3	2149.7	4509.0
Discretionary	794.7	816.5	835.4	847.4	858.3	884.9	906.6	929.1	955.2	969.8	4152.3	8797.9
Mandatory	1165.3	1196.1	1278.5	1358.8	1443.8	1547.7	1648.2	1759.1	1890.2	1983.5	6442.5	15271.0
Net Interest	171.6	188.0	191.2	189.5	186.3	181.7	175.8	167.7	152.7	146.1	926.7	1750.8
Total Outlays	2131.7	2200.6	2305.2	2395.7	2488.4	2614.2	2730.6	2855.9	2998.1	3099.4	11521.5	25819.7
Revenues	2085.6	2208.9	2341.4	2447.2	2568.3	2706.6	2856.9	3008.5	3278.0	3549.9	11651.4	27051.4
Unified Surplus	-46.1	8.3	36.2	51.5	80.0	92.4	126.3	152.6	279.9	450.6	129.9	1231.7
On-budget	-222.0	-185.9	-174.7	-174.0	-160.6	-163.7	-144.8	-134.6	-23.8	132.9	-917.3	-1251.1
Off-budget	175.9	194.2	210.9	225.5	240.6	256.1	271.1	287.2	303.6	317.6	1047.1	2482.8
CBO Reestimate of the President's Budget**												
Defense	380.2	388.3	406.2	420.4	433.8	455.1	470.0	484.4	502.4	508.5	2028.9	4449.4
Nondefense	404.2	411.5	416.9	422.9	431.1	441.1	451.6	465.7	473.7	484.6	2086.6	4403.2
Discretionary	784.4	799.8	823.1	843.3	864.8	896.2	921.6	950.1	976.1	993.1	4115.5	8852.5
Mandatory	1162.1	1200.5	1266.1	1351.1	1430.5	1518.9	1612.3	1714.4	1842.6	1930.4	6410.3	15028.9
Net Interest	174.5	189.2	189.3	187.1	184.8	182.4	177.0	169.2	161.4	152.2	925.0	1767.3
Total Outlays	2120.9	2189.6	2278.5	2381.5	2480.2	2597.6	2710.8	2833.7	2980.2	3075.7	11450.7	25648.7
Revenues	2077.9	2197.3	2323.9	2424.9	2542.5	2680.1	2830.3	2980.0	3137.4	3304.2	11566.5	26498.5
Unified Surplus	-43.1	7.7	45.4	43.4	62.3	82.5	119.5	146.2	157.2	228.5	115.8	849.8
On-budget	-218.8	-186.3	-165.4	-182.0	-178.3	-173.6	-151.6	-141.1	-146.5	-89.3	-930.8	-1632.9
Off-budget	175.7	194.1	210.8	225.4	240.6	256.1	271.1	287.3	303.8	317.8	1046.6	2482.7
Difference												
Defense	0.0	5.6	-1.2	-10.3	-20.4	-24.2	-25.8	-27.0	-28.1	-29.1	-26.3	-160.5
Nondefense	10.3	11.1	13.6	14.4	13.8	12.9	10.9	5.9	7.2	5.7	63.2	105.8
Discretionary	10.3	16.6	12.4	4.1	-6.6	-11.4	-14.9	-21.0	-20.9	-23.3	36.9	-54.6
Mandatory	3.3	-4.4	12.4	7.7	13.3	28.7	35.9	44.7	47.5	53.1	32.2	242.2
Net Interest	-2.8	-1.2	1.9	2.4	1.5	-0.7	-1.2	-1.5	-8.7	-6.1	1.7	-16.5
Total Outlays	10.8	11.0	26.7	14.2	8.2	16.6	19.8	22.2	17.9	23.7	70.8	171.0
Revenues	7.7	11.6	17.5	22.3	25.9	26.5	26.6	28.6	140.6	245.7	84.9	552.9
Unified Surplus	-3.0	0.5	-9.2	8.1	17.7	9.9	6.8	6.4	122.7	222.0	14.1	381.9
On-budget	-3.2	0.4	-9.3	8.0	17.6	9.9	6.8	6.5	122.8	222.2	13.6	381.8
Off-budget	0.2	0.1	0.1	0.1	0.0	0.0	0.0	-0.1	-0.1	-0.2	0.5	0.1

Source: Senate Budget Committee Republican Staff

* The SBC Reported Resolution does not include the effect of the enactment of the Job Creation and Worker Assistance Act of 2002 (P.L. 107-147).

** CBO's Reestimate of the President's Budget includes the President's budget amendment submitted on March 14, 2002, but does not include the President's economic security plan proposal.

COMPARISON OF SBC REPORTED RESOLUTION AND CBO MARCH BASELINE
WITHOUT ECONOMIC STIMULUS AND EXCLUDING ACCRUALS
(in billions of dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2003-2007</u>	<u>2003-2012</u>
SBC Reported Resolution*												
Defense	380.2	393.9	405.0	410.1	413.4	430.9	444.1	457.5	474.4	479.5	2,002.6	4,288.9
Nondefense	414.5	422.6	430.4	437.3	444.9	454.0	462.5	471.6	480.8	490.3	2,149.7	4,509.0
Discretionary	794.7	816.5	835.4	847.4	858.3	884.9	906.6	929.1	955.2	969.8	4,152.3	8,797.9
Mandatory	1,165.3	1,196.1	1,278.5	1,358.8	1,443.8	1,547.7	1,648.2	1,759.1	1,890.2	1,983.5	6,442.5	15,271.0
Net Interest	171.6	188.0	191.2	189.5	186.3	181.7	175.8	167.7	152.7	146.1	926.7	1,750.8
Total Outlays	2,131.7	2,200.6	2,305.2	2,395.7	2,488.4	2,614.2	2,730.6	2,855.9	2,998.1	3,099.4	11,521.5	25,819.7
Revenues	2,085.6	2,208.9	2,341.4	2,447.2	2,568.3	2,706.6	2,856.9	3,008.5	3,278.0	3,549.9	11,651.4	27,051.4
Unified Surplus	-46.1	8.3	36.2	51.5	80.0	92.4	126.3	152.6	279.9	450.6	129.9	1,231.7
On-budget	-222.0	-185.9	-174.7	-174.0	-160.6	-163.7	-144.8	-134.6	-23.8	132.9	-917.3	-1,251.1
Off-budget	175.9	194.2	210.9	225.5	240.6	256.1	271.1	287.2	303.6	317.6	1,047.1	2,482.8
CBO March Baseline												
Defense	354.2	363.4	374.7	380.5	386.6	400.0	410.5	421.2	435.9	439.2	1,859.4	3,966.2
Nondefense	407.0	420.5	431.6	441.9	452.9	463.9	475.3	487.1	499.1	511.6	2,153.9	4,590.9
Discretionary	761.2	783.9	806.3	822.4	839.5	863.8	885.8	908.3	935.1	950.8	4,013.3	8,557.1
Mandatory	1,148.2	1,180.4	1,241.0	1,312.4	1,384.7	1,471.4	1,562.3	1,661.7	1,778.1	1,862.0	6,266.6	14,602.0
Net Interest	170.2	183.7	183.5	177.5	169.5	159.2	146.4	130.6	111.9	84.9	884.4	1,517.4
Total Outlays	2,079.6	2,148.0	2,230.7	2,312.3	2,393.7	2,494.4	2,594.5	2,700.6	2,825.1	2,897.7	11,164.3	24,676.5
Revenues	2,085.9	2,209.3	2,341.8	2,447.7	2,568.9	2,707.2	2,857.5	3,009.2	3,278.7	3,550.7	11,653.6	27,056.9
Unified Surplus	6.3	61.3	111.1	135.4	175.2	212.8	263.0	308.6	453.7	653.1	489.2	2,380.4
On-budget	-169.6	-132.9	-99.9	-90.1	-65.4	-43.3	-8.1	21.4	150.0	335.4	-557.9	-102.4
Off-budget	175.9	194.2	210.9	225.5	240.6	256.1	271.1	287.2	303.6	317.6	1,047.1	2,482.8
Difference												
Defense	26.0	30.5	30.3	29.6	26.8	30.9	33.6	36.3	38.5	40.3	143.2	322.8
Nondefense	7.5	2.1	-1.2	-4.6	-8.0	-9.9	-12.8	-15.5	-18.3	-21.3	-4.2	-82.0
Discretionary	33.5	32.6	29.1	25.0	18.7	21.0	20.8	20.8	20.2	19.0	139.0	240.8
Mandatory	17.1	15.7	37.5	46.4	59.1	76.3	85.9	97.4	112.1	121.5	175.9	669.0
Net Interest	1.5	4.3	7.8	12.0	16.8	22.5	29.4	37.1	40.8	61.2	42.3	233.4
Total Outlays	52.1	52.6	74.4	83.4	94.7	119.8	136.1	155.3	173.0	201.7	357.2	1,143.2
Revenues	-0.3	-0.4	-0.4	-0.5	-0.5	-0.6	-0.6	-0.7	-0.7	-0.8	-2.1	-5.5
Unified Surplus	-52.4	-53.0	-74.9	-83.9	-95.2	-120.4	-136.7	-156.0	-173.8	-202.5	-359.3	-1,148.7
On-budget	-52.4	-53.0	-74.9	-83.9	-95.2	-120.4	-136.7	-156.0	-173.8	-202.5	-359.3	-1,148.7
Off-budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Senate Budget Committee Republican Staff

* The SBC Reported Resolution does not include the effect of the enactment of the Job Creation and Worker Assistance Act of 2002 (P.L. 107-147).

RATES OF GROWTH IN THE SBC REPORTED RESOLUTION WITHOUT ECONOMIC STIMULUS AND EXCLUDING ACCRUALS*

	in billions of dollars			% change	Avg. Annual Growth
	<u>2002</u>	<u>2003</u>	<u>2012</u>	<u>2002-2003</u>	<u>2002-2012</u>
Defense	348.2	380.2	479.5	9.2%	3.3%
Nondefense (NDD)	382.6	414.5	490.3	8.3%	2.5%
Discretionary	730.7	794.7	969.8	8.8%	2.9%
Mandatory	1,102.6	1,165.3	1,983.5	5.7%	6.0%
NDD and Mandatory	1,485.2	1,579.9	2,473.8	6.4%	5.2%
Total Outlays	2,000.7	2,131.7	3,099.4	6.5%	4.5%
Outlays with no interest	1,833.3	1,960.1	2,953.2	6.9%	4.9%

Source: Senate Budget Committee Republican Staff

* The SBC Reported Resolution does not include the effect of the enactment of the Job Creation and Worker Assistance Act of 2002 (P.L. 107-147).

**COMPARISON OF DISCRETIONARY BUDGET AUTHORITY IN THE SBC REPORTED RESOLUTION, THE CBO MARCH
BASELINE, AND THE REESTIMATE OF THE PRESIDENT'S BUDGET
WITHOUT RETIREMENT ACCRUAL PROPOSAL**
(in billions of dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2003-2007</u>	<u>2003-2012</u>
SBC Reported Resolution												
Discretionary Spending BA	768.1	786.5	804.2	822.1	841.0	860.2	880.8	900.8	921.2	942.4	4,021.9	8,527.3
Defense	392.8	400.5	410.8	421.2	432.2	443.4	455.2	467.0	478.9	491.2	2,057.5	4,393.1
Nondefense	375.3	386.0	393.4	400.9	408.8	416.8	425.6	433.9	442.4	451.2	1,964.4	4,134.2
CBO Reestimate of the President's Budget*												
Discretionary Spending BA	759.1	773.7	801.0	827.9	858.8	881.4	904.4	931.6	949.6	973.5	4,020.5	8,660.9
Defense	392.8	394.9	415.6	436.2	457.7	469.8	482.1	494.8	507.8	521.2	2,097.1	4,572.9
Nondefense	366.4	378.7	385.5	391.7	401.1	411.6	422.3	436.7	441.7	452.3	1,923.4	4,088.0
CBO March Baseline												
Discretionary Spending BA	732.4	751.2	770.3	789.6	810.0	830.8	852.7	874.8	897.0	920.1	3,853.4	8,228.9
Defense	356.9	366.3	375.7	385.2	395.2	405.5	416.3	427.1	437.9	449.2	1,879.4	4,015.4
Nondefense	375.5	384.9	394.5	404.4	414.7	425.3	436.4	447.7	459.1	470.9	1,974.1	4,213.4
SBC Reported Resolution less President's Reestimate												
Discretionary Spending BA	9.0	12.8	3.2	-5.7	-17.8	-21.1	-23.6	-30.8	-28.4	-31.1	1.4	-133.6
Defense	0.0	5.6	-4.7	-15.0	-25.5	-26.4	-27.0	-27.9	-29.0	-30.0	-39.6	-179.8
Nondefense	8.9	7.3	7.9	9.2	7.7	5.2	3.3	-2.9	0.6	-1.1	41.0	46.2
SBC Reported Resolution less CBO March Baseline												
Discretionary Spending BA	35.7	35.3	33.9	32.5	31.0	29.4	28.1	26.0	24.2	22.2	168.5	298.5
Defense	35.9	34.2	35.1	36.0	36.9	37.9	38.9	39.9	40.9	41.9	178.1	377.7
Nondefense	-0.2	1.1	-1.2	-3.5	-5.9	-8.4	-10.8	-13.9	-16.7	-19.7	-9.6	-79.2

Source: Senate Budget Committee Republican Staff

* CBO's Reestimate of the President's Budget includes the President's budget amendment submitted on March 14, 2002.